

REPUBLIC OF KENYA



OFFICE OF THE AUDITOR-GENERAL



REPORT

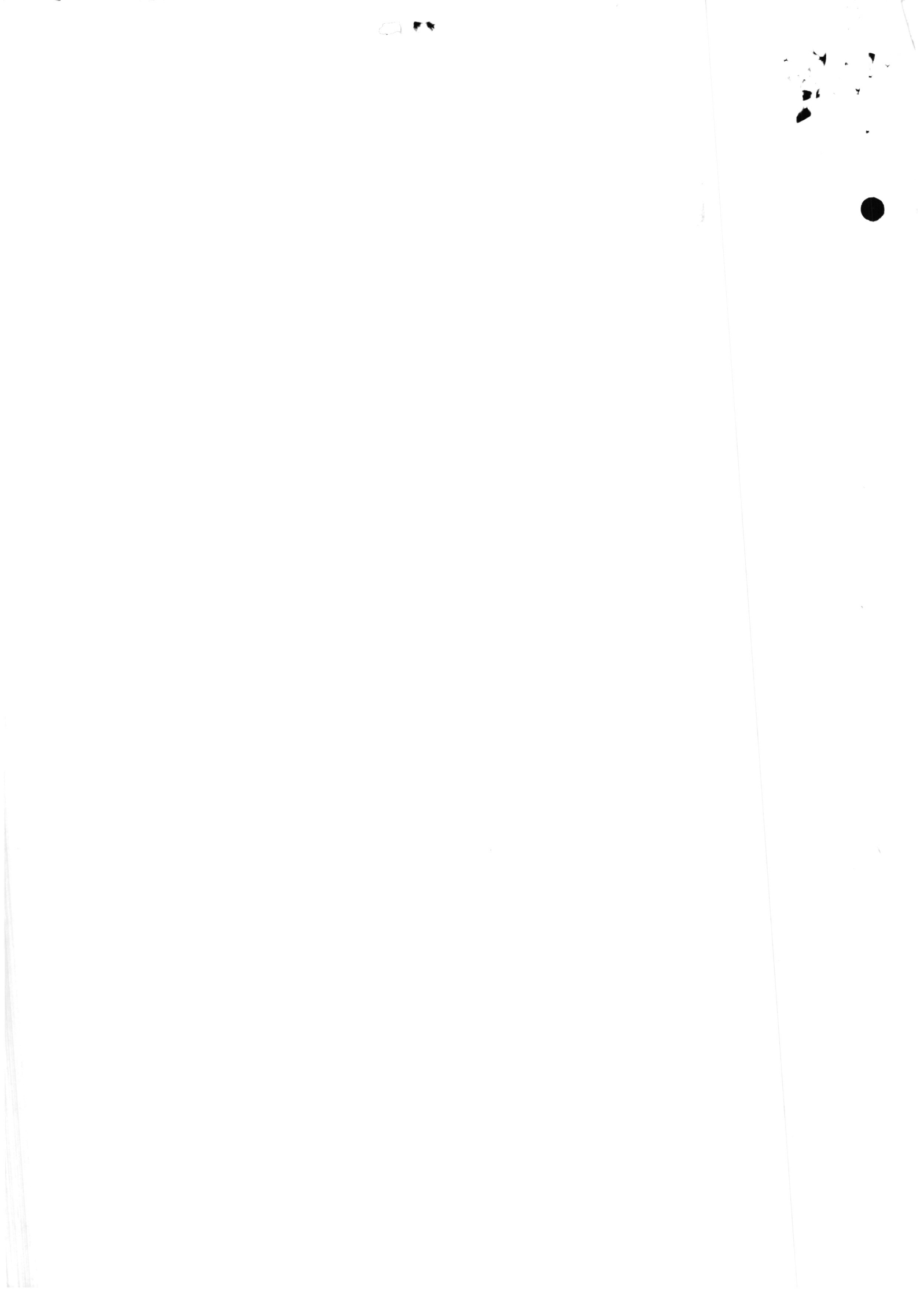
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DATE: 01 Aug 2013	OF THURSDAY
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CLERK AT THE TABLE:	

ON

**THE FINANCIAL STATEMENTS OF
NATIONAL GOVERNMENT
CONSTITUENCIES DEVELOPMENT FUND -
GATANGA CONSTITUENCY**

**FOR THE YEAR ENDED
30 JUNE 2018**



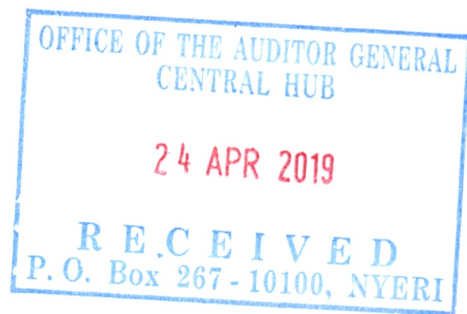


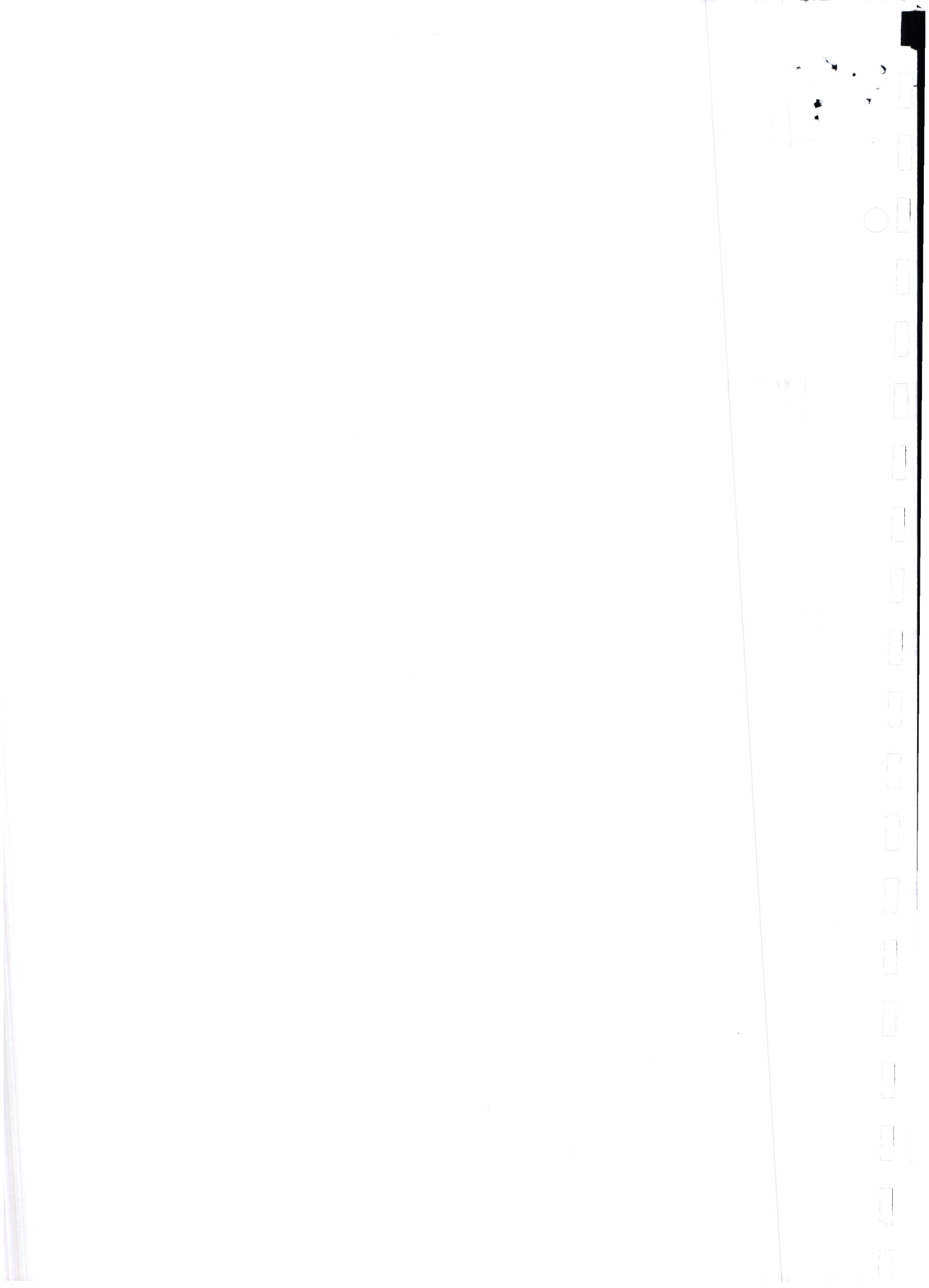
NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND, GATANGA CONSTITUENCY

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED
JUNE 30, 2018

Prepared in accordance with the Cash Basis of Accounting Method under the International Public Sector Accounting Standards (IPSAS)





NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF)
GATANGA CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2018

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**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF)
GATANGA CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2018**

I. KEY CONSTITUENCY INFORMATION AND MANAGEMENT

(a) Background information

The National Government Constituencies Development Fund (NG-CDF) (hereafter referred to as the Fund) formerly Constituencies Development Fund (CDF), is a fund established in 2003 through an Act of Parliament, the Constituencies Development Fund Act, 2003. The Act was later reviewed through the enactment of the CDF (Amendment) Act 2007, and repealed through CDF Act, 2013. The latter was subsequently succeeded by the current NG-CDF Act, 2015. At cabinet level, NG-CDF is represented by the Cabinet Secretary for Devolution, who is responsible for the general policy and strategic direction of the Fund.

Mandate

The mandate of the Fund as derived from sec (3) of NG-CDF Act, 2015 is to:

- a) Recognize the constituency as a platform for identification, performance and implementation of national government functions;
- b) Facilitate the performance and implementation of national government functions in all parts of the Republic pursuant to Article 6(3) of the Constitution;
- c) Provide for the participation of the people in the determination and implementation of identified national government development projects at the constituency level pursuant to Article 10(2)(a) of the Constitution;
- d) Promote the national values of human dignity, equity, social justice, inclusiveness, equality, human rights, non-discrimination and protection of the marginalized pursuant to Article 10 (2) (b) of the Constitution;
- e) Provide for the sustainable development of all parts of the Republic pursuant to Article 10 (2) (d) of the Constitution;
- f) Provide a legislative and policy framework pursuant to Article 21 (2) of the Constitution for the progressive realization of the economic and social rights guaranteed under Article 43 of the Constitution;
- g) Provide mechanisms for the National Assembly to deliberate on and resolve issues of concern to the people as provided for under Article 95 (2) of the Constitution;
- h) provide for a public finance system that promotes an equitable society and in particular expenditure that promotes equitable development of the country by making special provisions for marginalized groups and areas pursuant to Article 201 (b) (iii) of the Constitution;
- i) Authorize withdrawal of money from the Consolidated Fund as provided ' under Article 206 (2) (c) of the Constitution;
- j) Provide mechanisms for the National Assembly to facilitate the involvement of the people in the identification and implementation of projects for funding by the national government at the constituency level; and
- k) Provide for mechanisms for supplementing infrastructure development at the constituency level in matters falling within the functions of the national government at that level in accordance with the Constitution

Vision

Equitable Socio-economic development countrywide

Mission

To provide leadership and policy direction for effective and efficient management of the Fund

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF)

GATANGA CONSTITUENCY

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Core Values

1. **Patriotism** – we uphold the national pride of all Kenyans through our work
2. **Participation of the people**- We involve citizens in making decisions about programmes we fund
3. **Timeliness** – we adhere to prompt delivery of service
4. **Good governance** – we uphold high standards of transparency, accountability, equity, inclusiveness and integrity in the service of the people
5. **Sustainable development** – we promote development activities that meet the needs of the present without compromising the ability of future generations to meet their own needs.

(b) Key Management

The NGCDF Gatanga Constituency day-to-day management is under the following key organs:

- i. National Government Constituencies Development Fund Board (NGCDFB)
- ii. National Government Constituency Development Fund Committee (NGCDFC)

(c) Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2018 and who had direct fiduciary responsibility were:

No	Designation	Name
1.	Accounting Officer	Yusuf Mbuno
2.	A.I.E holder	Olympia Musonye
3.	Sub-County Accountant	Anthony Nderitu
4.	Chairman NGCDFC	Evanson Muiyuro
5.	Member NGCDFC	Petronillah Kalimi

(d) Fiduciary Oversight Arrangements

The Audit and Risk Management Committee (ARMC) of NGCDF Board provide overall fiduciary oversight on the activities of NGCDF -Gatanga Constituency. The reports and recommendation of ARMC when adopted by the NGCDF Board are forwarded to the Constituency Committee for action. Any matters that require policy guidance are forwarded by the Board to the Cabinet Secretary and National Assembly Select Committee.

(e) NGCDF Gatanga Constituency Headquarters

P.O. Box 63-0100,
Thika
Mabanda Sub-County Offices
Gatanga

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF)
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- (f) NGCDF Gatanga Constituency Contacts**
Telephone: (254) 714 884 675
E-mail: cdfgatanga@cdf.go.ke
Website: www.gatangacdf.com

(g) NGCDF Gatanga Constituency Bankers

The Co-operative Bank of Kenya,
Thika Branch
A/C 01120074416200
Thika

(h) Independent Auditors

Auditor General
Office of the Auditor General
Anniversary Towers, University Way
P.O. Box 30084
GOP 00100
Nairobi, Kenya

(i) Principal Legal Adviser

The Attorney General
State Law Office
Harambee Avenue
P.O. Box 40112
City Square 00200
Nairobi, Kenya

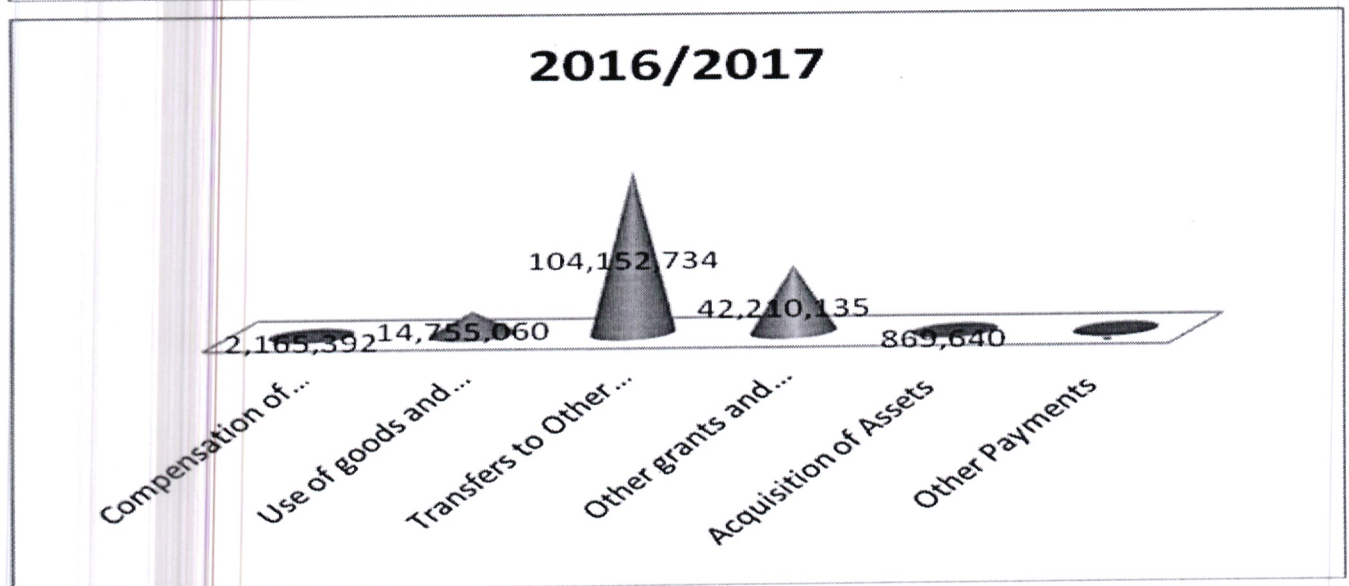
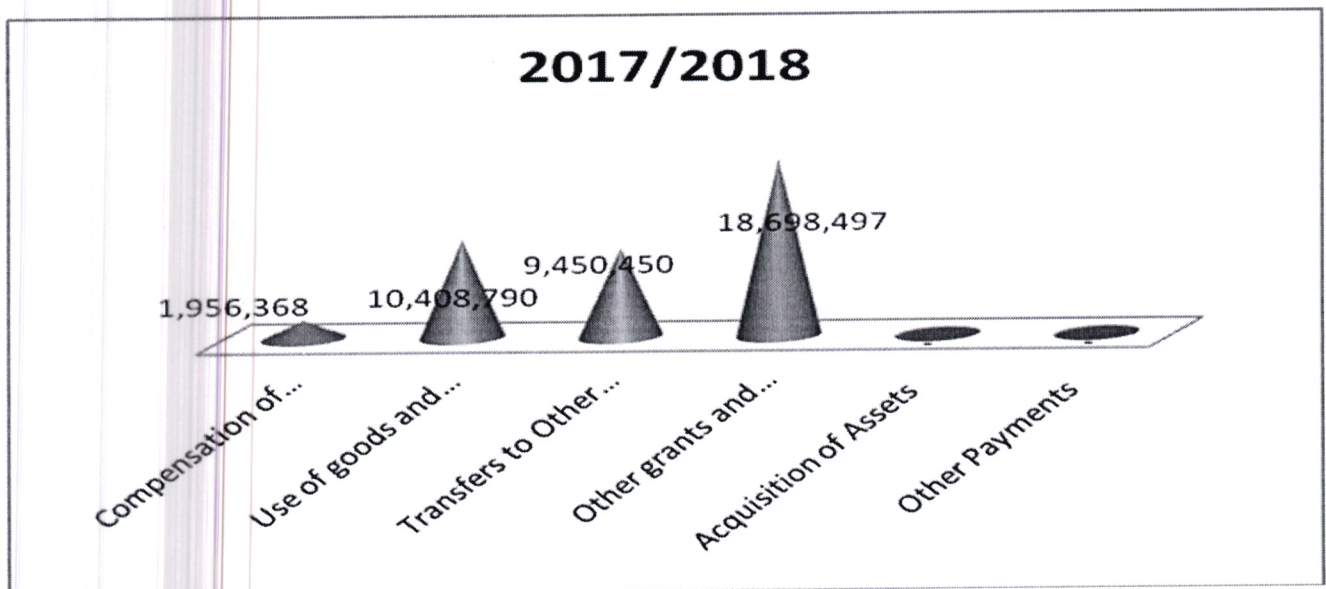
**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF)
GATANGA CONSTITUENCY**

**Reports and Financial Statements
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II. FORWARD BY THE CHAIRMAN NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND COMMITTEE (NG-CDFC)

Our NG-CDFC wishes to have in summary the budget performance against actual amounts for current year based on economic classification and programmes. Our NG-CDF have improved the Education, Business and Security infrastructures of Gatanga Constituency through the various projects that we have undertaken in installation of security masts, construction of markets and the building and renovation of schools.

Statement of Receipts and Payments Comparison F/Ys' 2017/2018 and 2016/2018



NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF)

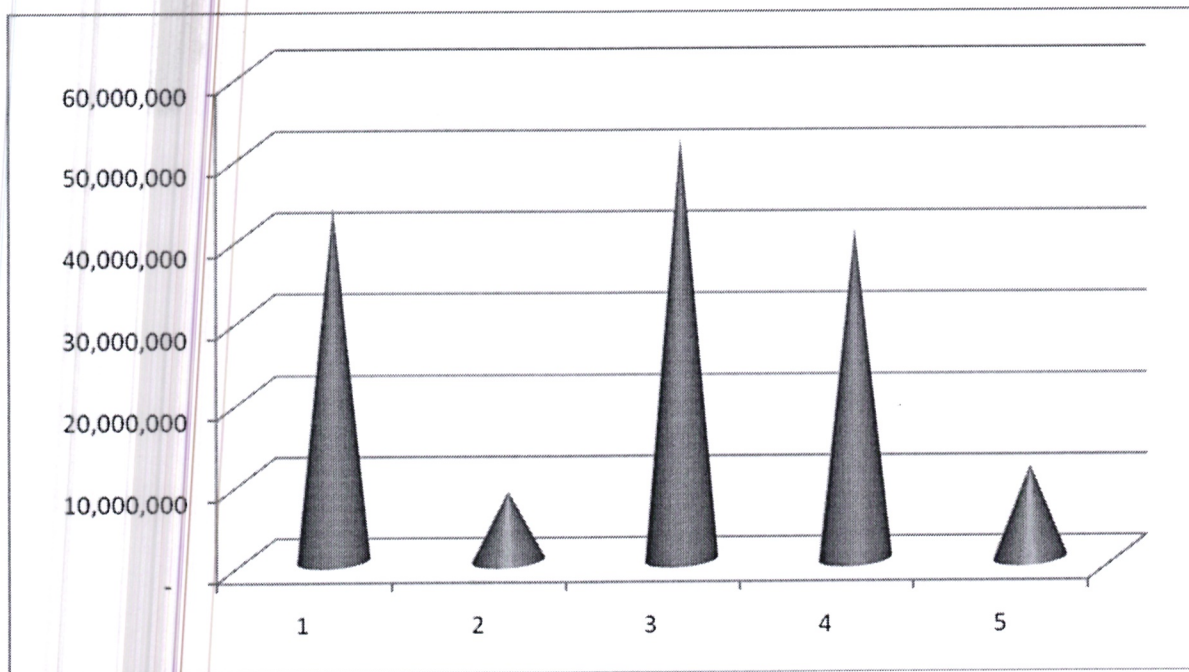
GATANGA CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2018

Comparatively, Statement of Receipts and Payments for the financial year 2017/2018 reflects a low value in amount against the financial year 2016/2018. The biggest variance is evident in Transfers to Other Government Units and Other grants and transfers. In the mentioned items, in the financial year 2017/2018, the management managed to transfer Ksh 9,450,450 and Ksh 18,698,497 contrary to the financial year 2016/2017 where Ksh 104,152,734 and Ksh 42,210,135 was attained respectively. The low amount evident in the financial year 2017/2018 is due to the not on time disbursement of the fund from the Board.

Original Budget, Adjustments against Actual Utilization of Funds for the Financial Year



1. Original Budget; 2. Adjustments; 3. Final Budget; 4. Actual on Comparable Basis; 5. Budget Utilisation Difference

As observed, the Management managed to utilize Ksh 40,514,105 against the final budget of Ksh 51,889,171. This rate points to 78.1% absorption. This absorption translates to a variance of Ksh 11,375,066. The management has been unable to attain 100% utilization due to the fact that there was delayed disbursement of funds from the Board.

Apart from the above mentioned issues, there has been a good project implementation spirit within the Constituency. Some of the best practices within the constituency are hereby pictorially interpreted.



**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF)
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Construction of a Swimming Pool at Gatanga Girls High School



Renovation of a Dining Hall at Kiunyu Girls Secondary School

Apart positivity's experienced and exhibited, there has been political, economic, social, legal and global challenges influencing the implementation of NG-CDF projects within Gatanga Constituency. Some of the other issues affecting the project implementation process is the late approvals of proposals and reallocations.

Our NG-CDFC wishes that there be more sensitization done to the people on the importance and NG-CDF and also open the world to the change that has been enabled by the fund so that it's sustainability and continuation is fully supported by the citizenry and ensure its livelihood.

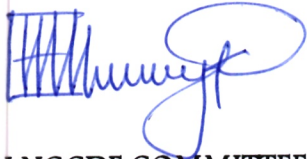
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We as a NG-CDFC would also like to bring it to your attention that the amendments done recently to the Act still have some of the issues not addressed clearly by even the regulations and hence that has been affecting our committee and the way it operates. There is therefore a need to clearly elaborate all the amendments and having good capacity building forums that will guide us adequately.

We do wish the NG-CDF a long life.

Sign



CHAIRMAN NGCDF COMMITTEE

Evanson Muiyuro

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**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF)
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III. STATEMENT OF ENTITY MANAGEMENT RESPONSIBILITIES

Section 81 (1) of the Public Finance Management Act, 2013 requires that, at the end of each financial year, the accounting officer for a National Government Entity shall prepare financial statements in respect of that entity. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant accounting standards as prescribed the Public Sector Accounting Standards Board of Kenya from time to time.

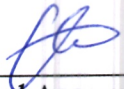
The Accounting Officer in charge of the NGCDF-Gatanga Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2018. This responsibility includes: (i) maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; (ii) maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; (iii) designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; (iv) safeguarding the assets of the entity; (v) selecting and applying appropriate accounting policies; and (vi) making accounting estimates that are reasonable in the circumstances.

The Accounting Officer in charge of the NGCDF-Gatanga Constituency accepts responsibility for the entity's financial statements, which have been prepared on the Cash Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the entity's financial statements give a true and fair view of the state of entity's transactions during the financial year ended June 30, 2018, and of the entity's financial position as at that date. The Accounting Officer charge of the NGCDF-Gatanga Constituency further confirms the completeness of the accounting records maintained for the entity, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

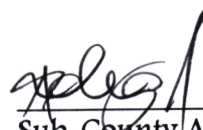
The Accounting Officer in charge of the NGCDF-Gatanga Constituency confirms that the entity has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further the Accounting Officer confirms that the entity's financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

Approval of the financial statements

The NGCDF-Gatanga Constituency financial statements were approved and signed by the Accounting Officer on 2013 2019.



Fund Account Manager
Name: Olympia Musonye



Sub-County Accountant
Name: Anthony Nderitu
ICPAK Member Number: 10719



REPUBLIC OF KENYA

Telephone: +254-20-342330
Fax: +254-20-311482
E-mail: oag@oagkenya.go.ke
Website: www.kenao.go.ke

P.O. Box 30084-00100
NAIROBI



OFFICE OF THE AUDITOR-GENERAL

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND-GATANGA CONSTITUENCY FOR THE YEAR ENDED 30 JUNE 2018

REPORT ON THE FINANCIAL STATEMENTS

Opinion

I have audited the accompanying financial statements of National Government Constituencies Development Fund-Gatanga Constituency set out on pages 9 to 29, which comprise the statement of assets as at 30 June 2018, and the statement of receipts and payments, statement of cash flows, summary statements of appropriation—recurrent and development combined for the year then ended, and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, the financial statements present fairly, in all material respects, the financial position of National Government Constituencies Development Fund-Gatanga Constituency as at 30 June 2018, and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Cash Basis) and comply with the National Government Constituencies Development Fund Act, 2015.

Basis for Opinion

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of National Government Constituencies Development Fund-Gatanga Constituency in accordance with ISSAI 30 on Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, are of most significance in the audit of the financial statements. Except for the matters described in

Report of the Auditor-General on the Financial Statements of National Government Constituencies Development Fund-Gatanga Constituency for the year ended 30 June 2018

the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources section of my report, I have determined that there are no key audit matters to communicate in my report.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources section of my report, I confirm that, nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Emergency Reserve

Section 8(1) of the National Government Constituencies Development Fund Act, 2015 states that a portion of the Fund, equivalent to five percent shall remain unallocated and shall be available for emergencies that may occur within the Constituency. However, a review of budget for the year ended 30 June 2018 revealed that, out of the total budget allocation of Kshs.81,310,342.82, the CDF management set aside Kshs.4,568,965 or 5.62% for emergency reserve contrary to the Act, thus exceeding the recommended allocation by Kshs.503,448. Further, no explanation was provided for the breach of the law.

2. Budget Performance

During the year under review, the Gatanga CDF spent Kshs.31,955,427 on implementation of projects against approved budget allocation of Kshs.74,497,414 earmarked for fifty-seven projects as summarized below:

Project Category	No of Approved Projects	No of Projects completed	Ongoing Projects	Projects not Started	Approved Budget-Kshs.	Actual Amount-Kshs.	Under-expenditure Kshs.
Transfer to Other Government Units	43	0	13	30	37,500,000	9,000,000	28,500,000
Other Grants and Transfers	14	5	2	7	36,997,414	22,955,427	14,041,987
Total	57	5	15	37	74,497,414	31,955,427	42,541,987

The above analysis indicates that five projects were completed while fifteen projects were at various stages of completion and thirty-seven projects were not started. Although the management attributes the low absorption of funds mainly to delay by the National Government Constituencies Development Fund Board in releasing funds to the Constituency, the CDF committee did not take appropriate measures to ensure that approved projects were implemented in time for the benefit of the residents of Gatanga Constituency.

The audit was conducted in accordance with ISSAI 4000. The standard requires that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements are in compliance, in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, except for the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in Use of Public Resources section of my report, I confirm that, nothing else has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

The audit was conducted in accordance with ISSAI 1315 and ISSAI 1330. The standards require that I plan and perform the audit to obtain assurance about whether processes and systems of internal control, risk management and governance were operating effectively, in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and Those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Cash Basis) and for maintaining effective internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal control, risk management and governance.

In preparing the financial statements, management is responsible for assessing the ability of National Government Constituencies Development Fund-Gatanga Constituency to sustain services, disclosing, as applicable, matters related to sustainability of services and using the applicable basis of accounting unless the management either intends to cease operations, or have no realistic alternative but to do so.

Management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 47 of the Public Audit Act, 2015.

In addition to the responsibility for the preparation and presentation of the financial statements described above, management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities which govern them, and that public resources are applied in an effective way.

Those charged with governance are responsible for overseeing the financial reporting process, reviewing the effectiveness of how the entity monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

The audit objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion in accordance with the provisions of Section 48 of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement and weakness when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In addition to the audit of the financial statements, a compliance audit is planned and performed to express a conclusion about whether, in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way, in accordance with the provisions of Article 229(6) of the Constitution and submit the audit report in compliance with Article 229(7) of the Constitution.

Further, in planning and performing the audit of the financial statements and audit of compliance, I consider internal control in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015 and submit the audit report in compliance with Article 229(7) of the Constitution. My consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under the ISSAIs. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Because of its inherent limitations, internal control may not prevent or detect misstatements and instances of non-compliance. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the Fund's policies and procedures may deteriorate.

As part of an audit conducted in accordance with ISSAIs, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

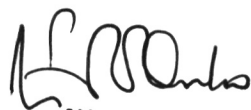
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to sustain its services. If I conclude that a material uncertainty exists, I am required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit

report. However, future events or conditions may cause the Fund to cease to sustain its services.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information and business activities of National Government Constituencies Development Fund-Gatanga Constituency to express an opinion on the financial statements.
- Perform such other procedures as I consider necessary in the circumstances.

I communicate with the management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that are identified during the audit.

I also provide management with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.



FCPA Edward R. O. Ouko, CBS
AUDITOR-GENERAL

Nairobi

22 May 2019

NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF)

GATANGA CONSTITUENCY

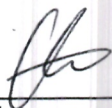
Reports and Financial Statements

For the year ended June 30, 2018

IV. STATEMENT OF RECEIPTS AND PAYMENTS

	Note	2017 - 2018 Kshs	2016 - 2017 Kshs
RECEIPTS			
Transfers from NGCDF board	1	43,405,172	139,235,897
Proceeds from Sale of Assets	2	0	0
Other Receipts	3	0	0
TOTAL RECEIPTS		43,405,172	139,235,897
PAYMENTS			
Compensation of employees	4	1,956,368	2,165,392
Use of goods and services	5	6,602,310	14,755,060
Transfers to Other Government Units	6	9,000,000	104,152,734
Other grants and transfers	7	22,955,427	42,210,135
Acquisition of Assets	8	0	869,640
Other Payments	9	0	0
TOTAL PAYMENTS		40,514,105	164,152,960
SURPLUS/(DEFICIT)		2,891,067	(24,917,064)

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-Gatanga Constituency financial statements were approved on 2018 2019 and signed by:



Fund Account Manager
Name: Olympia Musonye




Sub-County Accountant
Name: Anthony Nderitu
ICPAK Member Number: 14210

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF)
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IV. STATEMENT OF ASSETS

	Note	2017 - 2018	2016 - 2017
		Kshs	Kshs
FINANCIAL ASSETS			
Cash and Cash Equivalents			
Bank Balances (as per the cash book)	10A	11,211,066	8,319,999
Cash Balances (cash at hand)	10B	<u>0</u>	<u>0</u>
Total Cash and Cash Equivalents		11,211,066	8,319,999
Outstanding Imprests	11	<u>0</u>	<u>0</u>
TOTAL FINANCIAL ASSETS		<u>11,211,066</u>	<u>8,319,999</u>
FINANCIAL LIABILITIES			
Accounts payable-Retention	12	-	-
NET FINANCIAL ASSETS		<u>11,211,066</u>	<u>8,319,999</u>
REPRESENTED BY			
Fund balance b/fwd 1st July...	13	8,319,999	33,237,063
Surplus/Deficit for the year		2,891,067	(24,917,064)
Prior year adjustments	14	<u>0</u>	<u>0</u>
NET FINANCIAL POSITION		<u>11,211,066</u>	<u>8,319,999</u>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-GATANGA Constituency financial statements were approved on 2013 2019 and signed by:


Fund Account Manager
Name: Olympia Musonye


Sub-County Accountant
Name: Anthony Nderitu
ICPAK Member Number: 14714



NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF)

GATANGA CONSTITUENCY


Reports and Financial Statements

For the year ended June 30, 2018

V. STATEMENT OF CASHFLOW

		2017 – 2018	2016 - 2017
Receipts for operating income			
Transfers from NGCDF Board	1	43,405,172	139,235,897
Other Receipts	3	0	0
		43,405,172	139,235,897
Payments for operating expenses			
Compensation of Employees	4	1,956,368	2,165,392
Use of goods and services	5	6,602,310	14,755,060
Transfers to Other Government Units	6	9,000,000	104,152,734
Other grants and transfers	7	22,955,427	42,210,135
Other Payments	9	0	0
		(40,514,105)	(163,283,321)
Adjusted for:			
Adjustments during the year	14	0	0
Net cash flow from operating activities		2,891,067	(24,047,424)
CASHFLOW FROM INVESTING ACTIVITIES			
Proceeds from Sale of Assets	2	0	0
Acquisition of Assets	9	(0)	(869,640)
Net cash flows from Investing Activities		0	(869,640)
NET INCREASE IN CASH AND CASH EQUIVALENT		2,891,067	(24,917,064)
Cash and cash equivalent at BEGINNING of the year	13	8,319,999	33,237,063
Cash and cash equivalent at END of the year		<u>11,211,066</u>	<u>8,319,999</u>

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The NGCDF-GATANGA Constituency financial statements were approved on 2013 2019 and signed by:


 Fund Account Manager
 Name: Olympia Musonye

 Sub-County Accountant
 Name: Anthony Nderitu
 ICPAK Member Number:



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NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) – GATANGA CONSTITUENCY

Reports and Financial Statements


For the year ended June 30, 2018


VI. SUMMARY STATEMENT OF APPROPRIATION: RECURRENT AND DEVELOPMENT COMBINED

Receipt/Expense Item	Original Budget	Adjustments	Final Budget	Actual on Comparable Basis	Budget Utilisation Difference	% of Utilisation
	a	b	c=a+b	d	e=c-d	f=d/c %
RECEIPTS						
Transfers from NGCDF Board	86,810,345	19,483,999	106,294,344	40,514,105	65,780,239	38%
Proceeds from Sale of Assets				0	0	
Other Receipts				0	0	
	86,810,345	19,483,999	106,294,344	40,514,105	65,780,239	65.3%
PAYMENTS					0	
Compensation of Employees	2,239,000	759,248	2,998,248	1,956,368	1,041,880	65.3%
Use of goods and services	9,073,931	2,916,320	11,990,251	10,408,790	1,581,461	86.8%
Transfers to Other Government Units	37,500,000	15,000,000	52,500,000	9,450,450	43,049,550	18%
Other grants and transfers	37,997,414	808,431	38,805,845	18,698,497	20,107,348	48.2%
Acquisition of Assets	0	0	0	0	0	0
Other Payments		0	0	0	0	0
TOTALS	86,810,345	19,483,999	106,294,344	40,514,105	65,780,239	38.1%

The Budget utilization ration is low in most sectors owing to the delays in funds disbursements from the board leading to problems in projects implementation.

The NGCDF-GATANGA Constituency financial statements were approved on 2013 2019 and signed by:


 Fund Account Manager
 Name: Olympia Musonye


 Sub-County Accountant
 Name: Anthony Nderitu
 ICPAK Member Number 10210



**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) –
GATANGA CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2018**

VII. SIGNIFICANT ACCOUNTING POLICIES

The principle accounting policies adopted in the preparation of these financial statements are set out below:

1. Statement of Compliance and Basis of Preparation

The financial statements have been prepared in accordance with Cash-basis International Public Sector Accounting Standards (IPSAS) as prescribed by the Public Sector Accounting Standards Board (PSASB) and set out in the accounting policy note below. This cash basis of accounting has been supplemented with accounting for; a) receivables that include imprests and salary advances and b) payables that include deposits and retentions.

The financial statements comply with and conform to the form of presentation prescribed by the PSASB. The accounting policies adopted have been consistently applied to all the years presented.

2. Reporting Entity

The financial statements are for the NGCDF-GATANGA Constituency. The financial statements encompass the reporting entity as specified under section 81 of the PFM Act 2012

3. Reporting Currency

The financial statements are presented in Kenya Shillings (KShs), which is the functional and reporting currency of the Government and all values are rounded to the nearest Kenya Shilling.

4. Significant Accounting Policies

The accounting policies set out in this section have been consistently applied by the Entity for all the years presented.

a) Recognition of Receipts

The Entity recognises all receipts from the various sources when the event occurs and the related cash has actually been received by the Entity.

Tax Receipts

Tax receipts are recognized in the books of accounts when cash is received. Cash is considered as received when notification of tax remittance is received. (Check if this policy is applicable to entity)

Transfers from the Exchequer

Transfers from the exchequer are recognized in the books of accounts when cash is received. Cash is considered as received when payment instruction is issued to the bank and notified to the receiving entity.



SIGNIFICANT ACCOUNTING POLICIES

External Assistance

External assistance is received through grants and loans from multilateral and bilateral development partners.

Grants and loans shall be recognized in the books of accounts when cash is received. Cash is considered as received when a payment advice is received by the recipient entity or by the beneficiary.

In case of grant/loan in kind, such grants are recorded upon receipt of the grant item and upon determination of the value. The date of the transaction is the value date indicated on the payment advice. A similar recognition criteria is applied for loans received in the form of a direct payment.

During the year ended 30th June 2018, there were no instances of non-compliance with terms and conditions which have resulted in cancellation of external assistance loans.

Other receipts

These include Appropriation-in-Aid and relates to receipts such as proceeds from disposal of assets and sale of tender documents. These are recognized in the financial statements the time associated cash is received.

b) Recognition of payments

The Entity recognises all payments when the event occurs and the related cash has actually been paid out by the Entity.

Compensation of Employees

Salaries and wages, allowances, statutory contribution for employees are recognized in the period when the compensation is paid.

Use of Goods and Services

Goods and services are recognized as payments in the period when the goods/services are paid for. Such expenses, if not paid during the period where goods/services are consumed, shall be disclosed as pending bills.

Acquisition of Fixed Assets

The payment on acquisition of property plant and equipment items is not capitalized. The cost of acquisition and proceeds from disposal of these items are treated as payments and receipts items respectively. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration and the fair value of the asset can be reliably established, a contra transaction is recorded as receipt and as a payment.

A fixed asset register is maintained by each public entity and a summary provided for purposes of consolidation. This summary is disclosed as an annexure to the financial statements.



**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) –
GATANGA CONSTITUENCY**

Reports and Financial Statements

For the year ended June 30, 2018

SIGNIFICANT ACCOUNTING POLICIES

5. In-kind contributions

In-kind contributions are donations that are made to the Entity in the form of actual goods and/or services rather than in money or cash terms. These donations may include vehicles, equipment or personnel services. Where the financial value received for in-kind contributions can be reliably determined, the Entity includes such value in the statement of receipts and payments both as receipts and as payments in equal and opposite amounts; otherwise, the contribution is not recorded.

6. Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year.

7. Accounts Receivable

For the purposes of these financial statements, imprests and advances to authorised public officers and/or institutions which were not surrendered or accounted for at the end of the financial year are treated as receivables. This is in recognition of the government practice where the imprest payments are recognized as payments when fully accounted for by the imprest or AIE holders. This is an enhancement to the cash accounting policy. Other accounts receivables are disclosed in the financial statements.

8. Accounts Payable

For the purposes of these financial statements, deposits and retentions held on behalf of third parties have been recognized on an accrual basis (as accounts payables). This is in recognition of the government practice of retaining a portion of contracted services and works pending fulfilment of obligations by the contractor and to hold deposits on behalf of third parties. This is an enhancement to the cash accounting policy adopted by National Government Ministries and Agencies. Other liabilities including pending bills are disclosed in the financial statements.

9. Pending Bills

Pending bills consist of unpaid liabilities at the end of the financial year arising from contracted goods or services during the year or in past years. As pending bills do not involve the payment of cash in the reporting period, they recorded as 'memorandum' or 'off-balance' items to provide a sense of the overall net cash position of the Entity at the end of the year. When the pending bills are finally settled, such payments are included in the Statement of Receipts and Payments in the year in which the payments are made.

10. Unutilized Funds

Unutilized funds consist of bank balances in the constituency account and previous year(s) balances not yet disbursed by the Board to the constituency at the beginning of the financial year. These balances are available for use in the year under review to fund projects approved in the respective prior financial years consistent with sec 6(2) and sec 7(1) of NGCDF Act, 2015.



SIGNIFICANT ACCOUNTING POLICIES

11. Budget

The budget is developed on a comparable accounting basis (cash basis except for imprest and deposits, which are accounted for on an accrual basis), the same accounts classification basis, and for the same period as the financial statements. The original budget was approved by Parliament on June 2017 for the period 1st July 2017 to 30th June 2018 as required by Law and there was one supplementary adjustment to the original budget during the year. Included in the adjustments are the unutilized funds.

A comparison of the actual performance against the comparable budget for the financial year under review has been included in the financial statements.

12. Comparative Figures

Where necessary, comparative figures for the previous financial year have been amended or reconfigured to conform to the required changes in presentation.

13. Subsequent Events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended 30th June 2018.

14. Errors

Material prior period errors shall be corrected retrospectively in the first set of financial statements authorized for issue after their discovery by: i. restating the comparative amounts for prior period(s) presented in which the error occurred; or ii. If the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and net assets/equity for the earliest prior period presented.

During the year, errors that have been corrected are disclosed under note 14 explaining the nature and amounts.

15. Related Party Transactions

Related party relationships are a normal feature of commerce. Specific information with regards to related party transactions is included in the disclosure notes.

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) –
GATANGA CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2018**

VIII. NOTES TO THE FINANCIAL STATEMENTS

1. TRANSFERS FROM OTHER GOVERNMENT ENTITIES

Description		2017-2018	2016-2017
		Kshs	Kshs
NGCDF Board			57,339,345
A829550			4,094,828
A855166			36,853,449
A855545			40,948,275
A855807	A855807	5,500,000	-
A892945		37,905,172	
		-	
TOTAL		43,405,172	139,235,897

2. PROCEEDS FROM SALE OF ASSETS

	2017-2018	2016-2017
	Kshs	Kshs
Receipts from sale of Buildings		
Receipts from the Sale of Vehicles and Transport Equipment		
Receipts from sale of office and general equipment		
Receipts from the Sale Plant Machinery and Equipment		
Total		

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) –
GATANGA CONSTITUENCY
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. OTHER RECEPTS

	2017- 2018 Kshs	2016-2017 Kshs
Interest Received	0	0
Rents	0	0
Receipts from Sale of tender documents	0	0
Other Receipts Not Classified Elsewhere	0	0
Total	0	0

4. COMPENSATION OF EMPLOYEES

	2017-2018 Kshs	2016-2017 Kshs
Basic wages of contractual employees	1,417,658	1,548,662
Basic wages of casual labour	-	-
Personal allowances paid as part of salary		
House allowance	-	-
Transport allowance	-	-
Leave allowance	-	-
Gratuity	452,910	376,650
Other personnel payments	85,800	88280
Total	1,956,368	2,165,392



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**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) –
GATANGA CONSTITUENCY
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For the year ended June 30, 2018**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. USE OF GOODS AND SERVICES

	2017-2018 Kshs	2016-2017 Kshs
Committee Expenses	3,894,100	8,668,260
Utilities, supplies and services	350,000	1,370,000
Communication, supplies and services	0	
Domestic travel and subsistence	0	193,753
Printing, advertising and information supplies & services	0	0
Rentals of produced assets	0	0
Training expenses	0	0
Hospitality supplies and services	0	696,800
Insurance costs	0	0
Specialized materials and services	0	0
Office and general supplies and services	1,988,710	2,680,875
Fuel, Oil and lubricants	300,000	700,000
Routine maintenance – vehicles and other transport equipment	69,500	445,372
Routine maintenance – other assets	0	0
	0	0
Total	6,602,310	14,755,060

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) –
GATANGA CONSTITUENCY
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For the year ended June 30, 2018**

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. TRANSFER TO OTHER GOVERNMENT ENTITIES

Description	2017-2018 Kshs	2016-2017 Kshs
Transfers to National Government entities	-	-
Transfers to primary schools (see attached list)	5,500,000	72,115,862
Transfers to secondary schools (see attached list)	3,500,000	23,809,000
Transfers to tertiary institutions (see attached list)	-	4,000,000
Transfers to health institutions (see attached list)	-	4,227,872
TOTAL	9,000,000	104,152,734

7. OTHER GRANTS AND OTHER PAYMENTS

	2017-2018 Kshs	2016- 2017 Kshs
Bursary – secondary schools (see attached list)	14,464,673	29,000,000
Bursary – tertiary institutions (see attached list)		3,819,600
Bursary – special schools (see attached list)		
Mock & CAT (see attached list)		1,650,000
Water projects (see attached list)		
Others (Markets)		4,554,501
Electricity projects (see attached list)		
Security projects (see attached list)	2,500,000	400,000
Roads projects (see attached list)		1,000,000
Sports projects (see attached list)	1,733,824	1,556,034
Environment projects (see attached list)	1,656,480	
Emergency projects (see attached list)	2,600,450	230,000
Total	22,955,427	42,210,135

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) –
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. ACQUISITION OF ASSETS

<u>Non Financial Assets</u>	2017-2018 Kshs	2016-2017 Kshs
Purchase of Buildings	0	0
Construction of Buildings	0	0
Refurbishment of Buildings	0	0
Purchase of Vehicles and Other Transport Equipment	0	0
Overhaul of Vehicles and Other Transport Equipment	0	0
Purchase of Household Furniture and Institutional Equipment	0	0
Purchase of Office Furniture and General Equipment	0	869,640
Purchase of ICT Equipment, Software and Other ICT Assets	0	0
Purchase of Specialised Plant, Equipment and Machinery	0	0
Rehabilitation and Renovation of Plant, Machinery and Equip.	0	0
Acquisition of Land	0	0
Acquisition of Intangible Assets	0	0
	0	0
Total	0	869,640

9. OTHER PAYMENTS

	2017-2018	2016-2017
	Kshs	Kshs
Strategic plan	-	-
ICT Hub	-	-
TIVET	-	-

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) –
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

10A: Bank Accounts (cash book bank balance)

Name of Bank, Account No. & currency	2017-2018	2016-2017
	Kshs	Kshs
Co-operative Bank – Thika (01120074416200)	11,211,066	8,319,999
Total	11,211,066	8,319,999
10B: CASH IN HAND		
Location 1		
Location 2		
Location 3		
Other Locations (specify)		
Total		
[Provide cash count certificates for each]		

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) –
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

11: OUTSTANDING IMPRESTS

Name of Officer or Institution	Date Imprest Taken	Amount Taken	Amount Surrendered	Balance
		Kshs	Kshs	Kshs
Name of Officer or Institution	dd/mm/yy	xxx	xxx	xxx
Name of Officer or Institution	dd/mm/yy	xxx	xxx	xxx
Name of Officer or Institution	dd/mm/yy	xxx	xxx	xxx
Name of Officer or Institution	dd/mm/yy	xxx	xxx	xxx
Name of Officer or Institution	dd/mm/yy	xxx	xxx	xxx
Name of Officer or Institution	dd/mm/yy	xxx	xxx	xxx
Total				xxx

[Include an annex of the list is longer than 1 page.]

12 RETENTION

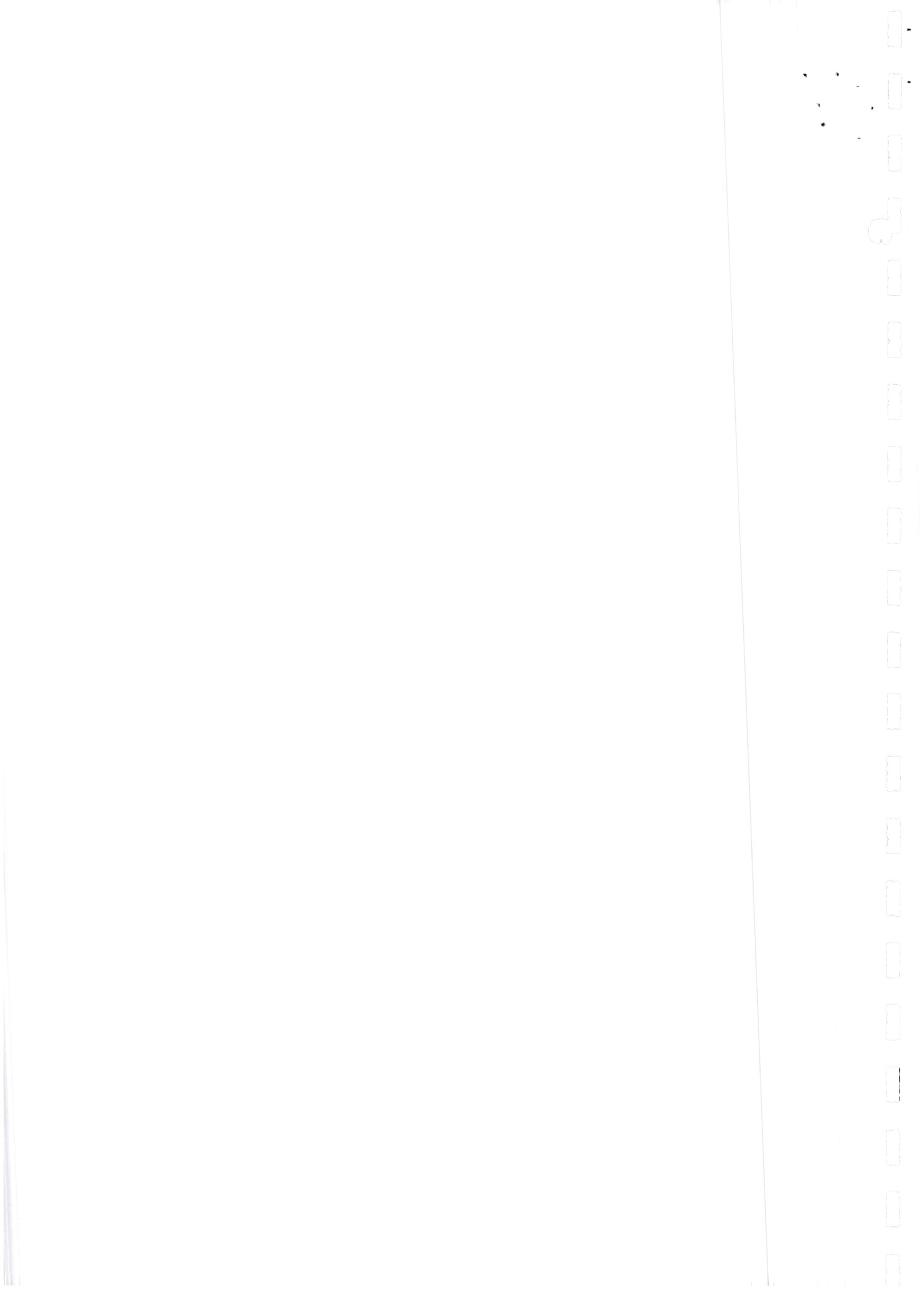
	2017 - 2018 Kshs	2016-2017 Kshs
Supplier 1	xx	Xx
Supplier 2	xx	Xx
Supplier 3	xx	Xx
Total	XX	XX

[Provide short appropriate explanations as necessary]

13. BALANCES BROUGHT FORWARD

	2017-2018 Kshs	2016-2017 Kshs
Bank accounts	8,319,999	2,884,544
Cash in hand		
Imprest		
Total	8,319,999	2,884,54

[Provide short appropriate explanations as necessary]



**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) –
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

14. PRIOR YEAR ADJUSTMENTS

	2017- 2018	2016-2017
	Kshs	Kshs
Bank accounts	0	0
Cash in hand		
Imprest		
Total	0	0

15. OTHER IMPORTANT DISCLOSURES

15.1: PENDING ACCOUNTS PAYABLE (See Annex 1)

	2017- 2018	2016-2017
	Kshs	Kshs
Construction of buildings	xx	Xx
Construction of civil works	xx	Xx
Supply of goods	xx	Xx
Supply of services	xx	Xx
	xx	Xx

15.2: PENDING STAFF PAYABLES (See Annex 2)

	Kshs	Kshs
Senior management	xx	Xxx
Middle management	xx	Xxx
Unionisable employees	xx	Xxx
Others (specify)	xx	Xxx
	xx	Xxx

15.3: UNUTILIZED FUNDS (See Annex 3)

	Kshs	Kshs
Compensation of employees	xx	Xx
Use of goods and services	xx	Xx
Amounts due to other Government entities (see attached list)	xx	Xx
Amounts due to other grants and other transfers (see attached list)	xx	Xx
Acquisition of assets	xx	Xx
Others (specify)	xx	Xx
	xx	Xxx

**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) –
GATANGA CONSTITUENCY**

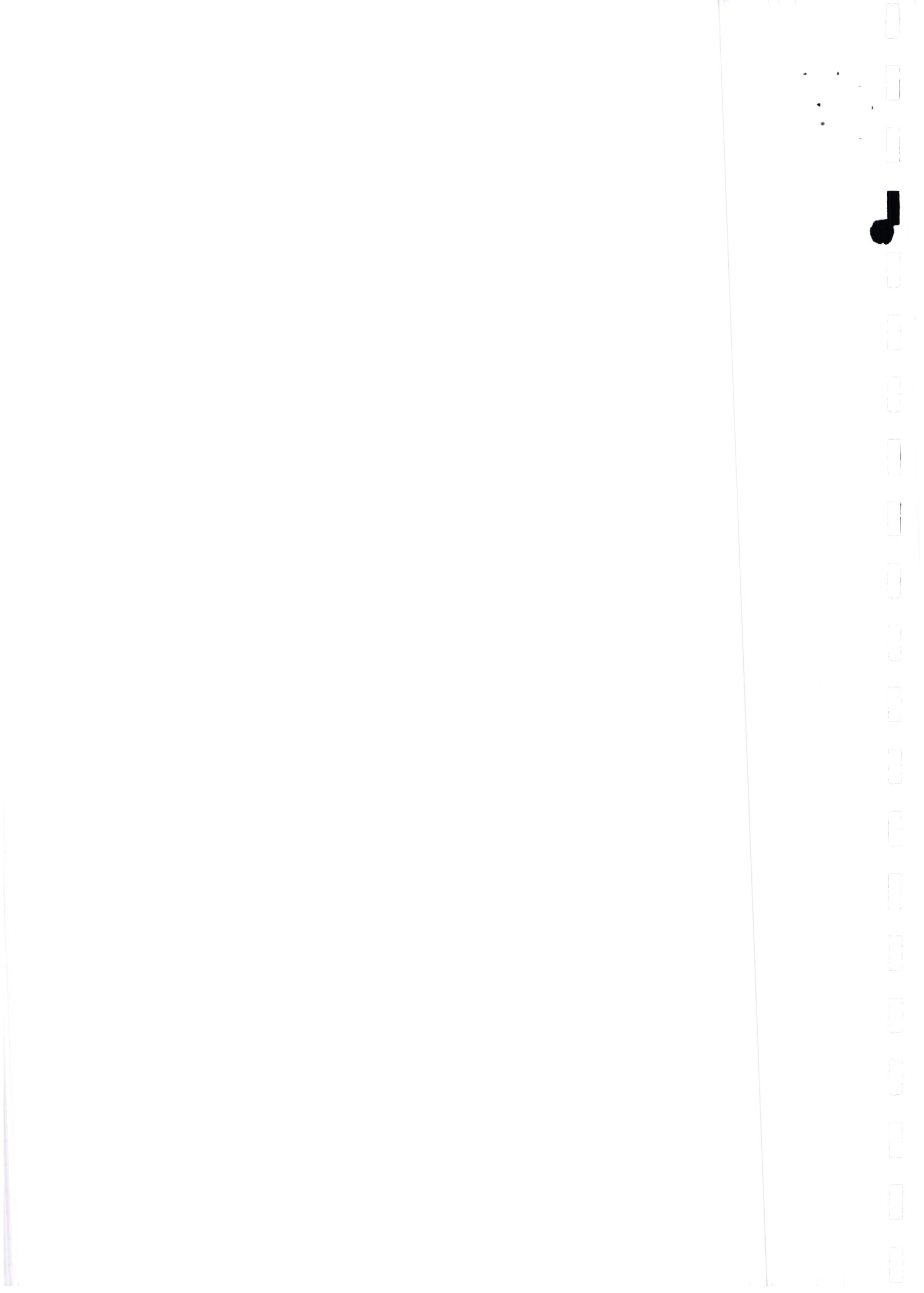
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

15.4: PMC account balances (See Annex 5)

	2017- 2018	2016-2017
	Kshs	Kshs
PMC account Balances (see attached list)	xxx	Xxx
	xxx	Xxx



NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) – GATANGA CONSTITUENCY
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ANNEX 1 - ANALYSIS OF PENDING ACCOUNTS PAYABLE

Supplier of Goods or Services	Original Amount	Date Contracted	Amount Paid To-Date	Outstanding Balance 2016	Outstanding Balance 2014	Comments
	a	B	c	d=a-c		
Construction of buildings						
1.						
2.						
3.						
Sub-Total						
Construction of civil works						
4.						
5.						
6.						
Sub-Total						
Supply of goods						
7.						
8.						
9.						
Sub-Total						
Supply of services						
10.						
11.						
12.						
Sub-Total						
Grand Total						



NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) – GATANGA CONSTITUENCY
Reports and Financial Statements
For the year ended June 30, 2018

ANNEX 2 - ANALYSIS OF PENDING STAFF PAYABLES

Name of Staff	Job Group	Original Amount	Date Payable Contracted	Amount Paid To-Date	Outstanding Balance 2016	Outstanding Balance 2014	Comments
		a	b	c	d=a-c		
Senior Management							
1.							
2.							
3.							
	Sub-Total						
Middle Management							
4.							
5.							
6.							
	Sub-Total						
Unionisable Employees							
7.							
8.							
9.							
	Sub-Total						
Others (specify)							
10.							
11.							
12.							
	Sub-Total						
	Grand Total						



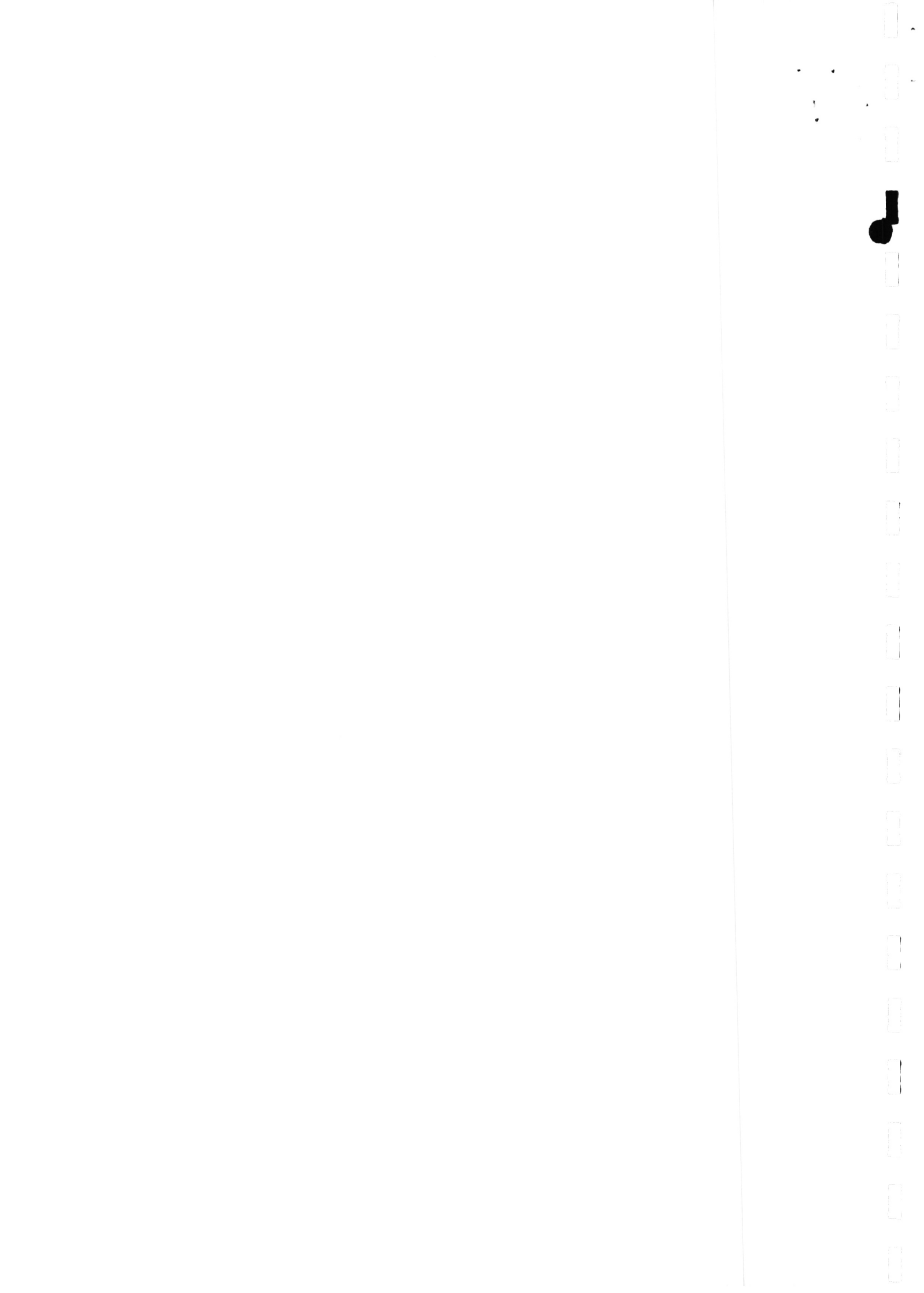
NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) – GATANGA CONSTITUENCY

Reports and Financial Statements

For the year ended June 30, 2018

ANNEX 3 – UNUTILIZED FUNDS

Name	Brief Transaction Description	Outstanding Balance 2017/18	Outstanding Balance 2016/17	Comments
Compensation of employees				
Use of goods & services				
Amounts due to other Government entities				
Sub-Total				
Amounts due to other grants and other transfers				
Sub-Total				
Sub-Total				
Acquisition of assets				
Others (specify)				
Sub-Total				
Grand Total				

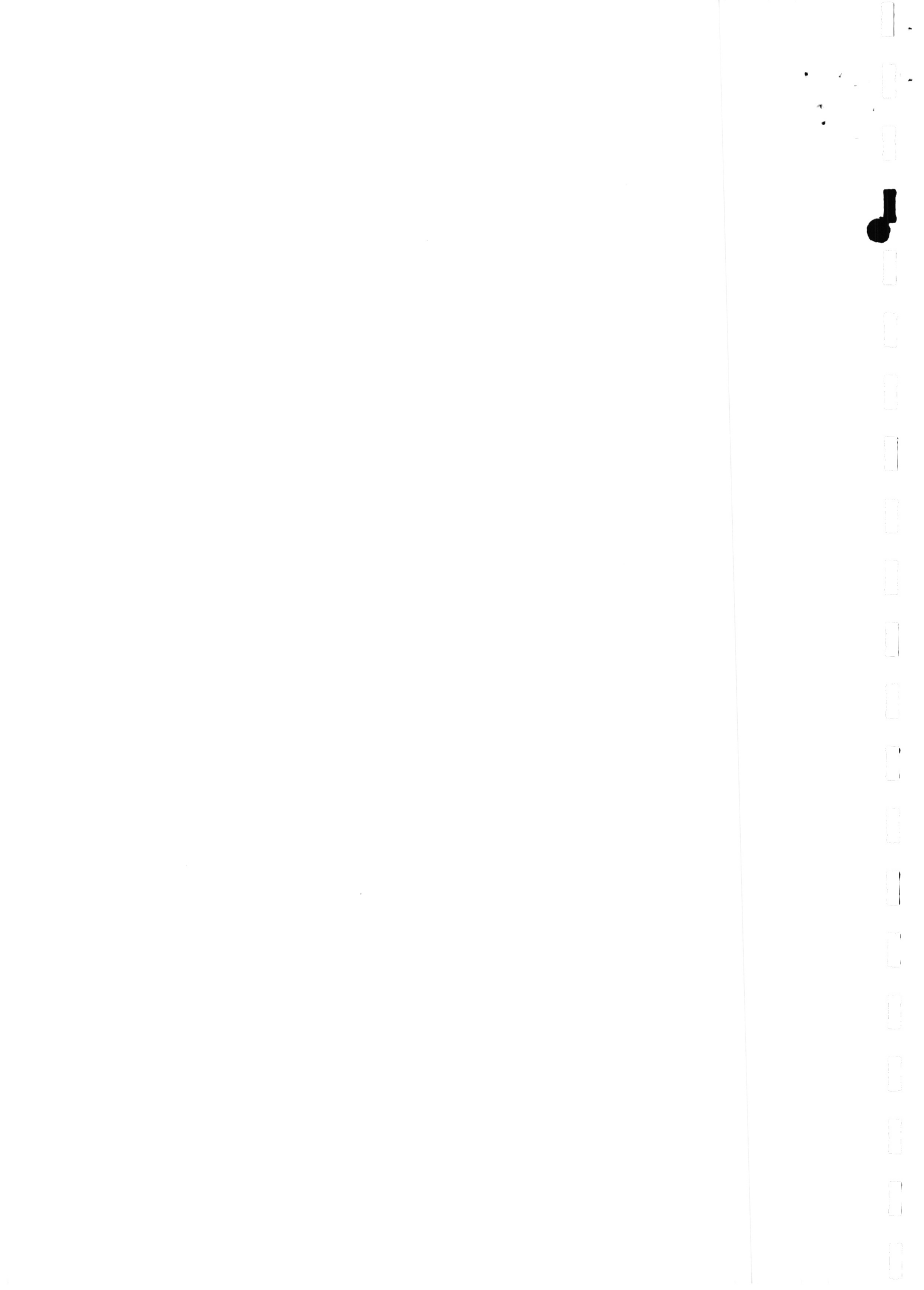


Reports and Financial Statements

For the year ended June 30, 2018

ANNEX 4 – SUMMARY OF FIXED ASSET REGISTER

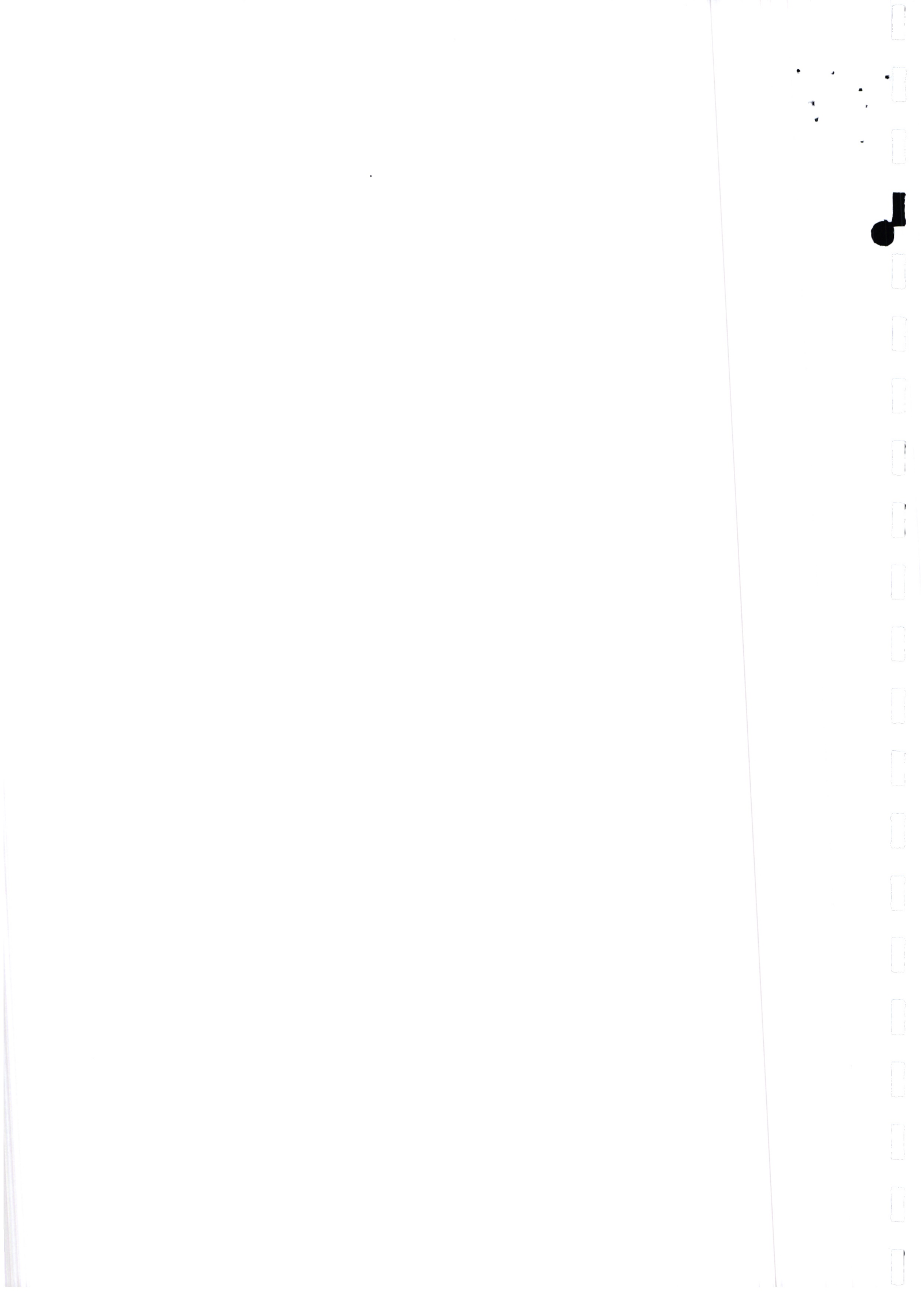
Asset class	Historical Cost b/f (Kshs) 2016/17	Additions during the year (Kshs)	Disposals during the year (Kshs)	Historical Cost (Kshs) 2017/18
Land	249,000	0	0	249,000
Buildings and structures	4,035,600	0	0	4,035,600
Transport equipment	7,600,000	0	0	7,600,000
Office equipment, furniture and fittings	2,490,998	0	0	2,490,998
ICT Equipment, Software and Other ICT Assets	942,768	0	0	942,768
Other Machinery and Equipment	4,000	0	0	4,000
Heritage and cultural assets	N/A	0	0	N/A
Intangible assets	N/A	0	0	N/A
Total	15,322,366	0	0	15,322,366



**NATIONAL GOVERNMENT CONSTITUENCY DEVELOPMENT FUND (NGCDF) –
GATANGA CONSTITUENCY
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ANNEX 4 –PMC BANK BALANCES AS AT 30TH JUNE 2018

PMC	Bank	Account number	Bank Balance 2017/18	Bank Balance 2016/17
Iganjo Primary School	Co-operative	01141734553700	900	900
Kiarutara Primary School	Co-operative	01141734554000	900	900
Gathanji Primary School	Co-operative	01141734552200	350	350
Giteme Primary School	Co-operative	01141734693300	1350	1350
Kagarii Primary School	Co-operative	01141734693600	1350	1350
Giachuki Primary School	Co-operative	01141073047100	2920	2920
Thungururu Primary School	Co-operative	01139557343200	505491.25	505491.25
Kyaume Primary School	Co-operative	01141734749100	1350	1350
Mianyani Primary School	Co-operative	01141428570800	-0.01	-0.01
Karega Primary School	Co-operative	01141278770000	0.00	0.00
Ngelelya Primary School	Co-operative	01139073047201	2245.25	2245.25
Mabanda Primary School	Co-operative	01141428508600	1,501,350	1,501,350
New Nyaga Primary School	Co-operative	01141557749000	1835.25	1835.25
Mwagu Primary School	Co-operative	01141734712400	2820.00	2820.00
Mwania Mbogo Primary School	Co-operative	01139073048701	2058.50	2058.50
Mwitingiri Primary School	Co-operative	01141734771100	2780	2780
Gatanga Girls Sec School	Co-operative	01141428520000	1,519,370.50	1,519,370.50
Kigio Primary School	Co-operative	01141734705600	1175	1175
Kiangigi Primary School	Co-operative	01141558296300	2700	2700
Wanduhi Primary School	Co-operative	01141558738000	1,002,900.25	1,002,900.25
Muti Primary School	Co-operative	01141429690700	725	725
Gati –iguru Primary School	Co-operative	01141558379100	3126.00	3126.00
Githambia Primary School	Co-operative	01141557689300	12.50	12.50



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PMC	Bank	Account number	Bank Balance 2017/18	Bank Balance 2016/17
Thuita Primary School	Co-operative	01141734744500	401,175.00	401,175.00
Rwaitira Primary School	Co-operative	01141428529700	1,007,319	1,007,319
Thungururu Primary School	Co-operative	01139557343200	505,491.25	5,491.25
Kimandi Primary School	Co-operative	01141558432400	3437.50	3437.50
Kariara Primary School	Co-operative	01141558424200	405,152.75	405,152.75
Ithanga Primary School	Co-operative	01141428871000	800	800
Gichubo Primary School	Co-operative	01141735286900	1350.00	1350.00
Ngatho Primary School	Co-operative	01141735285100	1900	1900
Giachuki Primary School	Co-operative	01141073047100	2920	2920
Gakurari Primary School	Co-operative	01141558454400	1812	1812
Mbugiti Primary School	Co-operative	01141735284700	2250	2250
Mwea Primary School	Co-operative	01141735286300	1,000,800	800
Mbari ya Ruga Primary School	Co-operative	01141735286600	2245.25	2245.25
Kirwara High School	Co-operative	01141429744500	1,011,856.00	11,856.00
Gatanga CCM Sec School	Co-operative	01141734294500	1,250	1,250
Kihumbu –ini Sec School	Co-operative	01139278419300	1,000,482.50	482.50
Kiunyu Sec School	Co-operative	01141557740900	1,034,030.50	34,030.50
Karangi Sec School	Co-operative	01141735285200	443,947.25	443,947.25
Ndunyu Chege Market	Co-operative	01141558472400	780	780
Ndunyu Chege Dispensary	Co-operative	01141073029801	1625	1625
Samuru A.P Post	Co-operative	01120073335400	0	0
Total			6,429,449	1,929,449



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PROGRESS ON FOLLOW UP OF AUDITOR RECOMMENDATIONS

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor. We have nominated focal persons to resolve the various issues as shown below with the associated time frame within which we expect the issues to be resolved.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Time frame: (Put a date when you expect the issue to be resolved)
4.1	The management should revise the financial statement to reflect the true and fair position	<i>The difference of Kshs. 5,277,189 between the statement of receipts and payments and the expenditure return shows total expenditure on use of goods and services was triggered by the reflection of un-surrendered imprests . This has been cleared. Kindly see the attachments</i>	Musonye Olympia. Fund Account Manager	Resolved on ML	5day
	The bank account should be disclosed in the financial statements. Further, cash books should be maintained for all bank accounts maintained by the fund.	<i>This account is part of the salaries gratuity captured as salaries and hence there is no place for it to be captured on the financial statements. Attached is a sample of salary voucher</i>	Musonye Olympia. Fund Account Manager	Resolved on ML	2day
4.2	There should be clear explanation on how the money was spent.	<i>These personnel payments were made as an accumulated overtime payments for the staff members who were paid and there's proper documentation available to support this payment. Attached are the Voucher, schedules and minutes qualifying the</i>	Musonye Olympia. Fund Account Manager	Resolved on ML	5day



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Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Focal Point person to resolve the issue (Name and designation)	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
4.3	All expenditures should be supported with the relevant documents.	<i>response There's a sports project management committee that was in charge of the sports program and budgeting and they had been given the independence of implementing the sports program. There is however good proof of all the activities listed in their program having taken place in the constituency through pictorial and even their social media pages at the time. Further in relation to this the management has written to the Committee for the expenditure returns. See the attached Letter</i>	Musonye Olympia. Fund Account Manager	On ML	5day
4.4	The fund should ensure budgetary controls are always adhered to ensure all set programs are implemented.	<i>The difference in the figure was due to the fact that there was still funds meant for goods and services that had accumulated in the previous year's which was carried forward. The management used the funds on the appropriate votes in the spoken year hence reason for over expenditure. Find attached financial statement of appropriation extract showing the amount carried forward from the previous year in the adjustment</i>	Musonye Olympia. Fund Account Manager	Resolved on ML	3day



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		<i>column</i>			
4.5	The fund account manager should ensure that proper, complete and accurate records are maintained for all the entity's transactions.	<i>The Management trial balance is reflected in the soft copy which is integrated with the financial statements. However the management will improve and reflect it in the hard copy. See the attached copy of the printed version</i>	Musonye Olympia. Fund Account Manager	Resolved on ML	3day
4.6	Fuel records should be properly maintained and updated.	<i>By the time the audit was taking place the fuel register had been misplaced, however, it was later located. Attached is the copy</i>	Musonye Olympia. Fund Account Manager	Resolved on ML	1day
4.7	Approved projects should be implemented without undue delay.	<i>The disbursement of the Board is done in four quotas hence making it difficult to achieve the milestone of projects with a wide scope for the last quota. This resulted to the delay in completion and payments. Additionally, the evidenced over expenditure is as a result of the funds brought forward from the previous year's projects and activities. Find attached financial statement of appropriation extract showing the amount carried forward from the previous year in the adjustment column and the A.I.E s'</i>	Musonye Olympia. Fund Account Manager	Resolved on ML	2day
4.8	The project should be officially	NdunyuChege Dispensary-	Musonye	Resolved	5day



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	handed over and put to use to avoid further wastage of resources	<i>The project was handed over in October 2017. The county took over and now is beyond the jurisdiction of NGCDF Gatanga management. Kindly see the letter addressing the handover</i>	Olympia. Fund Account Manager	on ML	
4.9	Projects should be clearly matched with the NG-CDF Board allocation and the expenditure recorded in the year it was incurred as per the IPSAS- Cash requirements. Further, NG-CDF Board allocations made for previous year and received in the current year should be matched to the projects allocated for with a clear roll over without interfering with approved NG-CDF Board allocation for the current year.	<i>The over expenditure was due to the actuality that some of the bursary for the previous financial year was brought forward to the year of the audit. This was because the CDFC contract expired hence no resolution could be made on the bursary vote at the time until the new committee was in place</i>	Musonye Olympia. Fund Account Manager	Resolved on ML	1day
	The Gatanga NG-CDF should put in place policies/plans which act as guide in achieving	<i>At the time of audit some acknowledgements had been submitted as a pool in</i>	Musonye Olympia. Fund Account Manager	On ML	5day



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	the mandate of the Constituency.	<i>reference to the pool forwarding letter that accompanies the pool cheque. However the office has instructed all the remaining beneficiaries to submit the receipts as per the individual beneficiary. The management is putting in place mechanism like Electronic Finance Transfer that will be able to generate individual receipts.</i>			
4.10	The fund account manager should reverse the state cheques and amend financial statements accordingly.	<i>The cheques were reversed and the money reallocated to NdunyuChege market. Kindly see the attachment</i>	Musonye Olympia. Fund Account Manager	Resolved on ML	1day
4.11	Procurement of goods and services should be in line with the Public procurement and Asset Disposal Act 2015.	<i>Gatanga constituency did an invitation to tender advert for NdunyuChege Market projects and the advert was placed in chief's offices, Deputy County</i>	Musonye Olympia. Fund Account Manager	Resolved on ML	3day



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		<i>Commissioner offices, market places and other public places. This was in the view of giving the local merchants the benefit of financial empowerment. The evaluation committee reviewed the documents of these contractors and using the evaluation criteria awarded the tender.</i>			
	The NG -CDF should provide schedules to support the emergency expenditure and where necessary amend financial statements.	<i>All the emergency projects were done and certificate of completion produced. Secondly, the expenditure was charged under transfer to other Government entities because all transfers to institutions are taken as transfer to other government entities despite the vote the funds come from. Kindly see the reports and minutes concerning the Ksh230, 000 project</i>	Musonye Olympia. Fund Account Manager	Resolved on ML	1day
4.12	The stale cheques should be reversed in the cash book and new cheques rose in the names	<i>Stale Bursary Cheques- The management has reversed some of the cheques. The</i>	Musonye Olympia. Fund Account Manager	On ML	1day

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	of the previous beneficiaries.	<i>ones remaining are cases where the students transferred or dropped out from the cheque drawn school. Despite of the challenge the management will raise other cheques after deliberation of the bursary committees.</i>			

